

San Luis Obispo County Economic Forecast

San Luis Obispo's economy is based largely on tourism and education. Consequently, services, government, and retail trade are the dominant industries in the county. The largest sector is the services industry, contributing 26 percent of all wage and salary jobs in the county. The healthcare sector which supports the older aged population, is the largest sub-sector of the broader services industry.

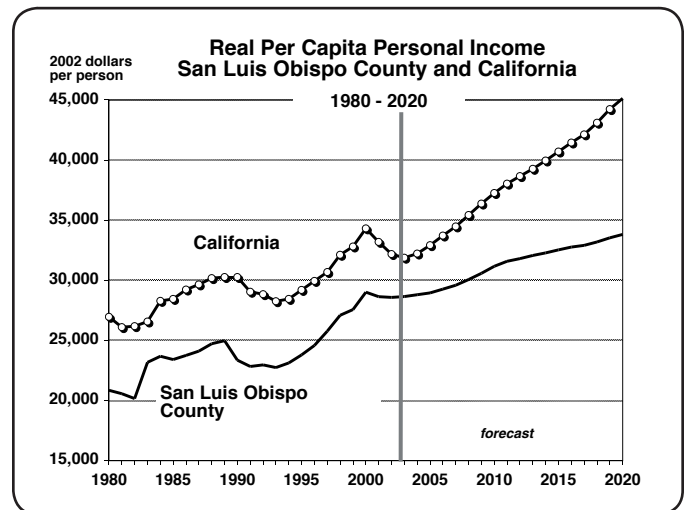
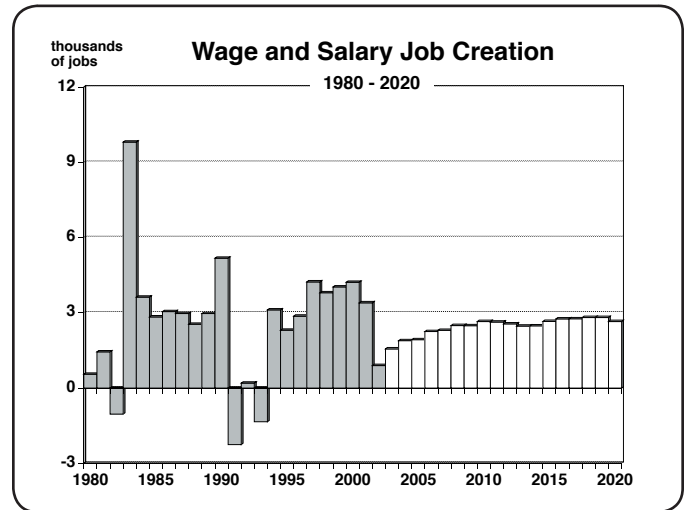
Tourism is important to the region and is expected to remain a strong asset in the county's economic growth. Recreation in Morro Bay and Pismo Beach, and Hearst Castle in San Simeon all provide reasons for travel to San Luis Obispo County. The booming wine industry in the Edna Valley and Paso Robles regions attracts an estimated 600,000 visitors each year. The production of wine has soared in recent years, and wine-grapes are the largest agricultural crop in the county.

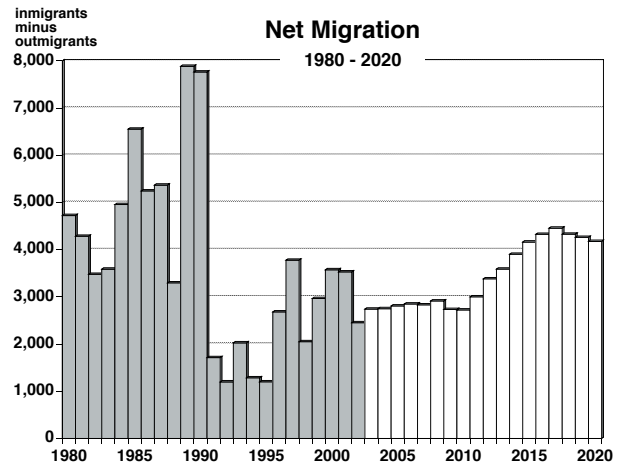
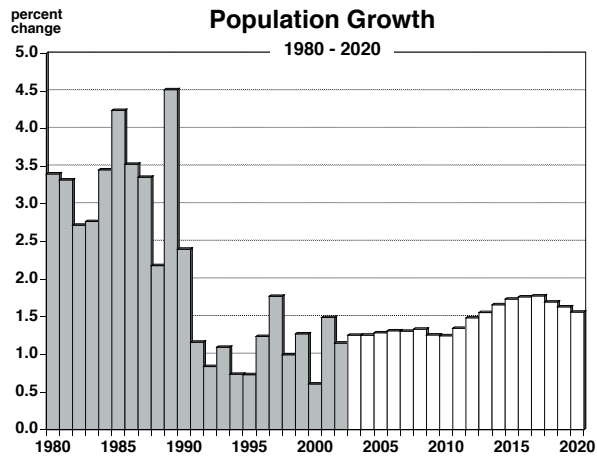
Government, the second largest industry, accounts for 23 percent of all non-farm employment, with 23,300 jobs reported in 2002. Almost all government jobs in San Luis Obispo County are in the state and local government sector, including the K-12 schools, Cuesta College, and Cal Poly State University. Industry projections estimate that the state and local public sector will create 2,450 new jobs between 2003 and 2008.

The retail trade industry contributes 23 percent of the county's employment. Restaurants dominate the sector with nearly half of the retail trade employment. Home prices in the county have soared in recent years, rising in excess of 20 percent between 2001 and 2002. The median home selling price now stands at \$375,000 as of mid-2003.

Forecast Highlights

- The county is forecast to create 10,800 new wage and salary jobs between 2003 and 2008. The forecast rate of job growth averages 2.0 percent per year.
- Real per capita income increases an average of 1.0 percent per year over the next 5 years. This is half the rate that prevailed between 1997 and 2002, because both wage and salary income and retirement income growth are forecast to slow.
- The unemployment rate rises to 3.6 percent in 2003, but declines thereafter, remaining in the low 3 percent range over the foreseeable future.
- Population growth is forecast to average 1.3 percent per year between 2003 and 2008. The natural increase is the principal engine of population growth. Net migration into the county remains positive, averaging 2,800 people per year.
- Approximately 1,800 new homes are permitted each year over the next 5 years. That rate of building is not enough to keep housing prices from rising further throughout the county.
- The median home selling price (adjusted for general price inflation) is projected to increase an average of 2.2 percent per year between 2003 and 2008.

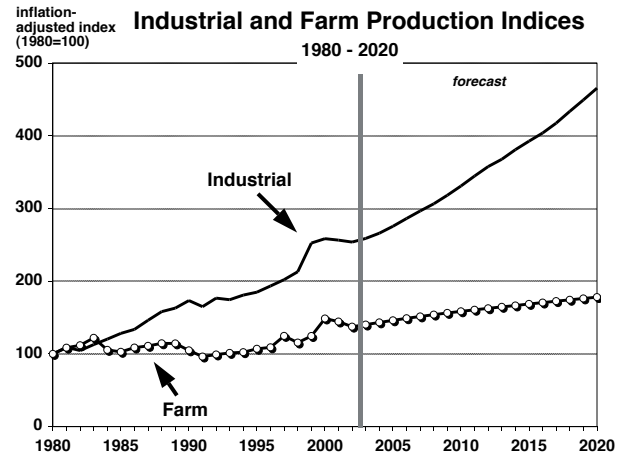
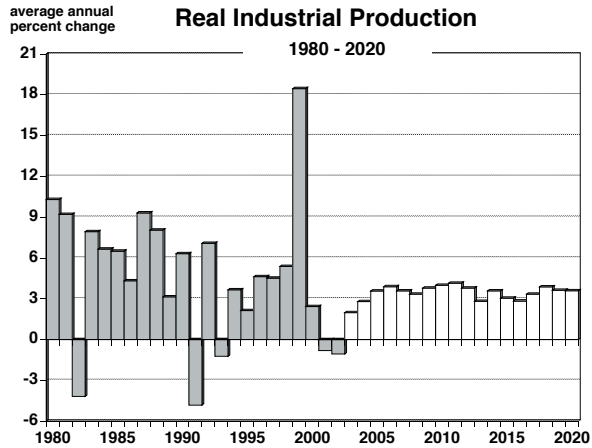




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1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	233,800	1,200	208	85	985	\$1.3	\$4.7	\$23,797	\$317	\$1.3
1996	236,700	2,682	220	86	1,176	\$1.4	\$5.0	\$24,581	\$328	\$1.3
1997	240,900	3,777	205	87	1,329	\$1.5	\$5.5	\$25,778	\$382	\$1.4
1998	243,300	2,051	220	88	1,730	\$1.6	\$5.9	\$27,090	\$359	\$1.5
1999	246,400	2,965	229	89	1,664	\$1.9	\$6.2	\$27,571	\$396	\$1.7
2000	247,900	3,575	244	92	1,650	\$2.1	\$6.8	\$29,018	\$488	\$1.8
2001	251,600	3,530	257	94	2,025	\$2.2	\$7.0	\$28,635	\$490	\$1.8
2002	254,500	2,452	269	96	1,969	\$2.4	\$7.3	\$28,583	\$479	\$1.7
2003	257,698	2,741	272	98	1,959	\$2.5	\$7.6	\$28,648	\$500	\$1.8
2004	260,939	2,750	279	99	1,913	\$2.6	\$7.9	\$28,797	\$524	\$1.8
2005	264,302	2,809	287	101	2,031	\$2.7	\$8.2	\$28,952	\$547	\$1.9
2006	267,779	2,850	295	103	1,879	\$2.8	\$8.6	\$29,267	\$571	\$2.0
2007	271,286	2,831	304	105	1,681	\$3.0	\$9.0	\$29,586	\$594	\$2.0
2008	274,912	2,914	313	106	1,524	\$3.1	\$9.5	\$30,068	\$618	\$2.1
2009	278,376	2,734	323	108	1,347	\$3.3	\$10.0	\$30,581	\$641	\$2.2
2010	281,855	2,723	330	109	1,209	\$3.5	\$10.6	\$31,164	\$666	\$2.3
2011	285,657	3,002	338	110	1,161	\$3.7	\$11.2	\$31,586	\$692	\$2.4
2012	289,910	3,383	346	111	1,311	\$3.9	\$11.7	\$31,806	\$719	\$2.4
2013	294,427	3,589	352	112	1,420	\$4.1	\$12.3	\$32,064	\$747	\$2.5
2014	299,319	3,903	360	114	1,499	\$4.3	\$12.9	\$32,275	\$774	\$2.6
2015	304,518	4,162	367	115	1,449	\$4.6	\$13.5	\$32,537	\$802	\$2.7
2016	309,897	4,325	376	116	1,474	\$4.8	\$14.2	\$32,766	\$832	\$2.8
2017	315,408	4,456	384	118	1,500	\$5.1	\$14.9	\$32,907	\$863	\$2.9
2018	320,763	4,329	390	119	1,584	\$5.3	\$15.7	\$33,189	\$895	\$3.0
2019	326,002	4,262	398	121	1,612	\$5.6	\$16.5	\$33,537	\$926	\$3.1
2020	331,098	4,175	404	122	1,633	\$5.9	\$17.3	\$33,817	\$957	\$3.2



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
79.9	3.0	3.6	0.1	6.3	4.3	20.4	4.4	19.2	18.6
82.7	3.9	3.8	0.1	6.7	4.4	20.6	4.2	19.9	19.3
87.0	4.8	4.1	0.1	6.8	4.5	21.0	4.4	20.9	20.3
90.8	4.6	4.5	0.1	7.3	4.5	21.9	4.7	21.9	21.2
94.8	4.3	5.3	0.1	7.4	4.8	23.2	4.9	23.2	21.6
99.0	4.8	5.9	0.2	7.5	4.8	24.4	4.9	24.2	22.4
102.4	5.3	6.5	0.2	7.6	4.7	25.0	4.9	25.2	22.9
103.3	5.3	6.9	0.2	7.6	4.5	25.4	4.9	25.2	23.3
104.9	5.2	6.8	0.2	7.7	4.5	26.0	4.9	25.9	23.6
106.8	5.2	6.9	0.2	7.7	4.6	26.5	5.1	26.5	24.0
108.7	5.3	6.9	0.2	7.8	4.6	27.0	5.3	27.1	24.5
110.9	5.4	7.1	0.2	7.9	4.7	27.5	5.5	27.8	24.9
113.2	5.4	7.1	0.2	8.0	4.7	28.0	5.9	28.4	25.4
115.7	5.5	7.1	0.2	8.2	4.8	28.5	6.1	29.2	26.1
118.2	5.6	7.1	0.2	8.4	4.9	29.0	6.4	29.9	26.7
120.9	5.7	7.1	0.2	8.6	4.9	29.6	6.7	30.6	27.4
123.5	5.8	7.2	0.2	8.8	5.0	30.1	7.0	31.2	28.3
126.1	5.9	7.2	0.2	8.9	5.0	30.7	7.3	31.8	29.1
128.5	5.9	7.1	0.2	9.1	5.1	31.2	7.5	32.3	30.0
131.0	6.0	7.1	0.2	9.3	5.1	31.7	7.7	32.8	31.0
133.7	6.1	7.2	0.2	9.5	5.1	32.3	7.9	33.5	32.1
136.4	6.1	7.2	0.2	9.6	5.2	32.8	8.1	34.1	33.2
139.2	6.2	7.2	0.2	9.8	5.2	33.3	8.3	34.6	34.4
142.0	6.3	7.2	0.2	10.0	5.3	33.8	8.6	35.1	35.6
144.8	6.3	7.2	0.2	10.2	5.3	34.3	8.8	35.7	36.8
147.5	6.4	7.2	0.2	10.4	5.4	34.8	9.0	36.2	37.9

